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: CIA-RDP91B01306R001400060001-0

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The Director of Central Intelligence

Washington, D. C. 20505

July 12, 1989

The Honorable Caspar W. Weinberger
Publisher
Forbes Magazine
60 Fifth Avenue
New York, New York 10011

Dear Cap,

Your good commentary, "Score Two for the CIA," went down very well out here. It was an authoritative boost and much appreciated and will probably help us with those in the business community who have unique access outside the United States. Helping us get it right wouldn't be all that bad.

Warmest regards always,

Sincerely,



William H. Webster

DCI
EXEC
REG

P-304-IR

Commentary
on Events at Home and Abroad
By Casper W. Weinberger, Publisher

SCORE TWO FOR THE CIA

For many years the Soviets have performed the remarkable feat of holding their military budget at 20.2 billion rubles a year. None of us in Washington quite knew how they did it, considering the extent of their weaponry. The CIA and our other intelligence agencies always told us that the Soviets' ability to hide their real spending on defense prevented us from realizing that the Soviets actually spent at least ten times more than the officially announced figure.

Now Mr. Gorbachev says that they actually spent about four times as much as their officially reported figures. We think that is about half of what they actually spent. That means that the CIA's intelligence estimates were far closer to the actual amounts than the Soviet estimates.

Then, some weeks ago, the Soviets announced that their previously published statistics on their economic growth had also been very low. The actual growth figures, they said, and other vital statistics of the Soviet economy were far closer to CIA economic analyses and estimates than to the previously published Soviet figures.

In fact, the newly appointed Soviet economists said that they knew the earlier estimates were wrong because the "CIA said so, and the CIA is quite often right."

It is fashionable for many of us to believe that everything our intelligence agencies say has to be wrong. Here are two cases in which CIA reporting is getting some unusual confirmation—from the Soviets themselves.

Newsweek _____
Time _____
U.S. News & World Report _____
FORBES _____
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Date 10 July 1989